

**State FY 2005
GRANT REQUEST FOR PROPOSALS (RFP)
INSTRUCTIONS
Montana State Forester**

Fuels for Schools Construction Grants

SUBMISSION DEADLINE:

Submit to the Montana State Forester's Office:
**DNRC – Forestry Division
2705 Spurgin Rd.
Missoula, MT 59804-3199
Attention: Angela Farr**

To be received in-hand (not just postmarked) no later than 5:00 p.m.

February 28, 2006

INTENT OF FUELS FOR SCHOOLS CONSTRUCTION GRANTS

In recent years, throughout the Western United States, severe wildfires have cost billions of dollars, while destroying homes, damaging watersheds, eliminating critical wildlife habitat and putting firefighters' lives at risk. Reducing the amount of dense forest, shrubs and rangeland fuels can significantly reduce severe forest wildfire behavior and improve forest health and resilience by reducing the spread of insects and disease. Often this type of work is expensive and there is no use for the waste biomass, which becomes a disposal problem. Typically, this material is either wastefully burned in the forest or sent to landfills.

The intent of the Fuels For Schools (FFS) Construction grant program is to stimulate interest and increase knowledge in the use of renewable biomass heating energy sources and systems, and to promote the beneficial use of wood waste that is not currently being utilized. This is accomplished in part by assisting public schools and other public institutions with the conversion of their heating systems. The anticipated results are: increased public awareness about biomass use, reduced public building heating costs, reduced cost of treating wildland fire hazardous fuels, improved forest conditions, and reduced contribution to atmospheric carbon dioxide accumulations.

ELIGIBLE APPLICANTS

Applicants eligible for FFS funding are as follows:

- Schools or other public institutions in communities in Montana (e.g., municipality, town, township, or other similar unit of general purpose local government).
- Schools or other public institutions in communities within Indian reservations in Montana.

ELIGIBLE ACTIVITIES

Grants up to \$400,000 but no more than 35% of the total project cost for converting existing facilities to biomass heat or no more than 25% of the additional cost of incorporating biomass heat into new construction, are available under this program. The program will provide funds toward the design, purchase and installation of a new biomass boiler system and a chip or pellet storage facility. The program does not cover the cost of renovation or refurbishment of existing heat distribution systems. The Montana Department of Natural Resources and Conservation (DNRC) reserves the right to offer a different grant amount than proposed by applicants.

FUNDING GUIDELINES

Available funding varies from year to year depending on annual Congressional appropriations. For each proposal, the federal contribution **cannot exceed 35%** of the cost of the biomass burner/boiler,

associated buildings, and connections to the existing system. **Priority for funding is given to proposals with a higher match.**

During the first **five (5) years** of use, each funded project **must make every reasonable effort to** obtain at least 50% of the biomass fuel consumed from material that would otherwise be un-used (e.g., piled and burned or chipped and scattered). Sources of this 50% include logging slash, dead trees, small diameter trees, shrubs and other biomass contributing to wildfire hazard. They may also include material removed in municipal tree trimming, clearing around power lines, or clearing for development, as long as that material is not being diverted from other uses. **Failure to demonstrate that the project is meeting this fuel supply requirement will result in action to reclaim grant funds.**

All awards from this grant program shall be considered final awards to the project(s) selected. If project costs increase beyond what was projected at the time of the grant award, the grantee is responsible for finding additional funding from sources outside this program.

APPLICABLE COST PRINCIPLES AND ADMINISTRATIVE REQUIREMENTS

Federal grant funds are awarded under the provisions of applicable Office of Management and Budget (OMB) circulars governing administrative rules, costs, and audits. Applicants receiving federal grants shall administer grant funds in accordance with the applicable OMB circulars. State, local and tribal governments are subject to A-102 Administrative Requirements and A-87 Cost Principles. Institutions of Higher Education are subject to A-110 Administrative Requirements and A-21 Cost Principles. Non-Profit Organizations are subject to A-110 Administrative Requirements and A-122 Cost Principles. OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations applies to all grantees. Applicants are encouraged to access and review the appropriate OMB circulars prior to requesting federal grant funds. Copies of the OMB circulars may be obtained on-line at <http://www.whitehouse.gov/omb/circulars/index.html>.

LEGISLATIVE AUTHORITY

Program funding is authorized through the Department of the Interior and Related Agencies Appropriation Act for the year in which the program activities are carried out. The program of work is to be carried out as originally described in legislative history of the Department of the Interior and Related Agencies Appropriation Act (1989, PL 100-446, 102 Stat. 1774, 1803, and subsequent legislative history). The rural development program is listed in the Catalog of Federal Domestic Assistance as number 10.672, Rural Development, Forestry and Communities.

EVALUATION CRITERIA

An evaluation panel made up of the State Forester's staff, a USDA Forest Service representative, and a representative from Bitter Root Resource Conservation and Development (RC&D) Office will evaluate each application based on responses to this Request For Proposals (RFP). The criteria used to evaluate proposals include:

- cost effectiveness, expressed as the level of funding requested as a percentage of the total cost of the conversion project. Requests cannot exceed 35% of the cost of the biomass burner/boiler, associated buildings, and connections to the existing system. The program does not cover the cost of renovation or refurbishment of existing heat distribution systems;
- demonstrated support and commitment to the project and the use of biomass waste from the community (e.g., school board, elected officials, community organizations, and local businesses);
- an identified source of funding for the project beyond the grant;
- a preliminary engineering assessment that indicates the following:
 - costs and savings projected; and
 - the amount of biomass projected to be consumed annually
- the economic viability of the project projected by the preliminary engineering assessment and any subsequent, more detailed feasibility assessment(s);
- the supply, availability and accessibility of raw material to fuel the system, including:
 - the estimated supply of raw material: including the amount of material generated in the vicinity of the school, the mix of forest land ownership (private, state, federal) in the area, the amount of acreage that is typically treated or is planned for treatment; and
 - potential contractors that can deliver the biomass;
- projects that demonstrate a link to reducing wildland fire hazard or improving forest resilience, especially in the wildland urban interface;
- the percentage of the students in the school who are on assisted lunch program, or for public facilities other than schools, an equivalent measure of the relative economic needs of the community;
- proximity to other similar projects such that a cluster of biomass customers can be established that can support a viable delivery business; and
- the potential for the project to demonstrate a different example of woody biomass use than existing systems. For example, a system that will displace a different type of fuel, utilize a different wood storage/transport system, or demonstrate a different scale of wood heat system.

The panel will evaluate each criterion independently rating each criteria response as low, medium or high. Differences in evaluation among panel members will be jointly discussed and a consensus reached as to which project(s) receive funding. The funding requested as a percentage of total project cost, and the amount of material to be consumed, whether by the proposed system or from the formation of a cluster of projects within reasonable proximity, will receive greater weight than the other criteria.

SUBMISSION GUIDELINES AND DEADLINES

Please read **the entire packet** before preparing your proposal. Be sure that all relevant information is in the body of your proposal, not in cover letters or letters of support. Proposals will be limited to 15 pages and must be letter-sized, typed, printed on one side only, and stapled once in the upper left hand corner. Only 12 pt font is acceptable unless the default font is otherwise.

- ❑ The original and three (3) copies of the proposal must be submitted.
- ❑ Please do not use special covers or binders, or submit general letters of support or other attachments. Pertinent letters of support from community leaders and business's can be included as attachments to the proposal.
- ❑ FAX transmitted proposals or electronic applications will not be accepted.
- ❑ Funding requests must be rounded to the nearest \$100.00.

An official of the school or other public service institution shall deliver proposals to be received no later than 5 p.m. **on February 28, 2006 at the DNRC- Forestry Division Office, 2705 Spurgin Rd., Missoula MT 59804-3199, Attention: Angela Farr.** Proposals received after this date and time will not be accepted. An "official of the school or other public service institution" is the Superintendent, President, Chair of the Board, a Tribal Leader, or President of a not-for-profit corporation representing the institution.

FUNDING NOTIFICATION AND GRANT AWARD

Applicant proposals selected for funding will be notified within 6 weeks of the submission deadline. This initial notification should not be construed as an official grant award. Applicants must consult with the DNRC before incurring any expenses, as pre-award costs are not allowed without written approval from DNRC.

In accordance with section 49-3-207, MCA, the grantee agrees that the hiring of persons to perform work on the project will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing work on the project.

CONTACTS

For further information in completing your grant application, please contact the Montana Department of Natural Resources and Conservation Fuels for Schools Coordinator listed below:

Angela Farr
2705 Spurgin Road
Missoula, MT 59804-3199
Phone: (406) 542-4239 Cell: (406) 370-1099
afarr@mt.gov

Additional information and an electronic version of this RFP can be found on the following website:

<http://dnrc.mt.gov/Forestry/Assistance/Biomass/default.asp>